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## I'm Waiting for the Crude— Gulf Coast Crude Terminals and Storage



Source: Houston Fuel Oil Terminal Co

- Major shifts in the sourcing of crude oil used by U.S. refineries have required the build-out of new crude delivery, storage and blending facilities along the Gulf Coast.
- A key consideration in the build-out is the need to address the mismatch between the light sweet quality of most of the new crude now being delivered to the Gulf Coast and the heavier crudes that many refineries are configured to process.
- Unit trains, ships and barges are playing critical roles in supplementing still-inadequate pipeline connections and will continue to do so.
- Many midstream logistics companies are responding rapidly to changing circumstances to take advantage of new opportunities such as building crude-by-rail unloading facilities, ship-and-barge docks, and new pipelines to deliver crude to where it is most valued.
- The facility build outs will require additional storage in order to effect the handoff between different transport modes and for delivery to ultimate refinery markets.

The build-out of crude oil offloading and storage facilities at bulk liquid terminals along the Gulf Coast is at full throttle, spurred by the ever-increasing volume of crude flowing to the region from southern and western Texas, North Dakota, the Rockies, Western Canada and the Midwest. Pipeline crude capacity into the Gulf Coast region has increased by 2.2 MMb/d in the past three years and is expected to grow by at least another 1.7 MMb/d over the next two years. Additional volumes of crude are arriving by rail and by inland or coastal barges and tankers. These new crude supplies need to be offloaded, stored, blended and distributed to area refineries.

This RBN Drill-Down Report examines the impact of these new flows, discusses the need for new crude handling facilities and provides a survey of the terminal infrastructure expansions underway to accommodate the transition to a better integrated and flexible Gulf Coast crude oil market.

## Table of Contents

<b>1. Introduction.....</b>	<b>4</b>
<b>2. Crude Oil Terminals.....</b>	<b>7</b>
2.1 Sunoco Logistics/Nederland – Port Arthur TX .....	7
2.2 Magellan Midstream Partners .....	9
2.2.1 Magellan Midstream – East Houston TX .....	10
2.2.2 Magellan Midstream – Galena Park/Deer Park/Houston Ship Channel.....	12
2.3 OilTanking Houston (OTH).....	13
2.4 Kinder Morgan.....	15
2.4.1 Kinder Morgan – Pasadena/Houston Ship Channel/East Houston .....	15
2.4.2 Kinder Morgan- Galena Park/Houston Ship Channel .....	16
2.4.3 Kinder Morgan – TransMontaigne/BOSTCO.....	16
2.5 Vopak North America – Deer Park/Galena Park .....	17
2.6 Houston Fuel Oil Terminal (HFOT) – Houston Ship Channel .....	17
2.7 Enterprise Products Partners – ECHO Terminal, Southeast Houston .....	18
2.8 Louisiana Offshore Oil Port (LOOP).....	19
2.9 Nustar Energy – St. James, LA .....	21
2.10 Plains All American (PAA) – St. James, LA.....	22
2.11 Corpus Christi Terminals .....	23
2.11.1 Koch/Flint Hills Resources/Ingleside .....	25
2.11.2 Plains All American/Viola.....	25
2.11.3 Martin Midstream Partners LP .....	26
2.11.4 Magellan Midstream .....	26
2.11.5 NuStar Energy LP/North Beach .....	26
2.11.6 Trafigura/Texas Dock & Rail .....	27
<b>3. Strategic Petroleum Reserve.....</b>	<b>27</b>
<b>4. Summary .....</b>	<b>28</b>

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